

Finnentrop, 14.04.2021

**Statement on H.R. 4173 “Dodd-Frank Wall Street Reform and Consumer Protection Act” Section 1502 “Conflict Minerals”**

Dear All,

thank you for your inquiry regarding the obligations concerning the American bill H.R. 4173 “Dodd-Frank Wall Street Reform and Consumer Protection Act” Section 1502 on “Conflict Minerals”. Our company is watching the American efforts to ban and monitor exploitation and trade with conflict minerals originating in the Democratic Republic of Congo and the adjoining countries very closely. This is also true for the implementation provisions as of August 2012.

As a German company we do not directly fall under the scope of application of the law **which for suppliers does not stipulate a special formal for declarations**. Nevertheless we pay very much attention to the national, European and international developments regarding ethical, social and environmental standards.

Therefore, we for the time being can assume that according to information available to us the material does not contain any of the defined “conflict minerals” like coltan, niobium, tantalum, tin, gold or tungsten from the Democratic Republik of Congo or its adjoining countries **that in the meaning of the law are necessary to the functionality or production of the products manufactures by us**. Changes to our knowledge regarding this issue would surely be advised to you immediately.

Apart from that it is questionable, whether at the time being a Dodd Frank reporting obligation of US companies vis à vis the Securities Exchange Commission (SEC) exists at all. **For on 14 april 2014 a US Court of Appeals expressed considerable doubts regarding the constitutionality of the Dodd Frank Act**. A company which was forced

by the SEC to declare publicly that its products were “not DRC free”, challenged the SEC order before the court and prevailed. So if even US companies themselves currently are not obliged according to Dodd Frank Act there is no reason for them to demand the respective reports from their suppliers.

Even if one would assume the validity of the Dodd-Frank Act, for instance because this ruling would be rescinded by the US Supreme Court, our products due to a special quality of our products do not fall under the reporting requirements of Dodd-Frank: Traces of conflict minerals possibly contained in our products are in them by pure chance: We do not employ them deliberately for performing any specific function in our products. Rather are we dealing with a mere background load which is unavoidable in the face of the nowadays very high recycling rate of metals.

**The Dodd-Frank Act explicitly excluded such cases from the reporting obligations. Thus sec. 1502. conflict minerals b) (2) (B) Dodd Frank Act reads:**

***conflict minerals are necessary to the functionality or production of a product manufactured by such person***

As this is not the case regarding our products, accordingly we are not subject to the reporting obligations set up by Dodd-Frank. We recommend you to communicate this in the same vein to you customers in order to avoid unnecessary compliance declarations vis a vis your customers.

Please feel free to contact us on this topic at any time.

Kind regards,

thema Form- & Federntechnologie GmbH & Co. KG

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